



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Executive Director

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June 16, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2116

Karen Palmer
Diamond K Gypsum
1600 South Red Hills Drive
Richfield, Utah 84701

Re: Conditional Approval for Mine Plan Amendment, Diamond K Gypsum, DKG Quarry, M/015/041, Emery County, Utah

Dear Mrs. Palmer:

The Division received your proposal to mine a new part of Area C to the south and west of the current mine area. The area is shown on approved mine maps as an area where you have planned to mine.

Your current plan includes provisions for mining a total of 30 acres, but the bond says no more than 12.6 acres will be disturbed at any one time. According to the Division's review document, this figure is based on 2.6 acres of disturbance from the road, 5 acres of inactive mine area, and 5 acres of last mined area. This allows the Division to release one area and allow new disturbance in another area without having to adjust the bond.

Area B on the north side of the South Salt Wash, has been adequately graded for the Division to release it from further grading requirements, although there is not yet enough vegetation established to release it entirely. Therefore, *the Division will authorize you to mine in the area shown on the map you sent June 6, 2003, with the condition that the portions of Area B that do not have adequate vegetation be reseeded in the fall or early winter of 2003.* The "exchange" in this approval is for about two acres of new disturbance for about 3.6 acres reclaimed disturbance.

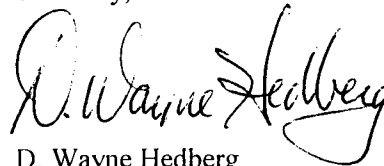
Enclosed is a copy of the map you submitted, which has been stamped approved. It should replace the first map after the text in your plan. There are two other maps that should also be updated. These are the maps where the current mining area has been outlined in orange. On these maps, the current quarry area should be labeled appropriately, whether it is to go into reclamation immediately, or if it will remain active for some period, and the new area should be marked. Also, you need to show how you will access the new area. Please provide these updated maps within 30 days of receipt of this letter, or no later than July 21, 2003.

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As you begin mining the new area, you are reminded of the operational commitments in your current mine plan and to regulatory performance standards. Particularly important as you begin operations is the requirement to salvage topsoil for reclamation of the impacted areas.

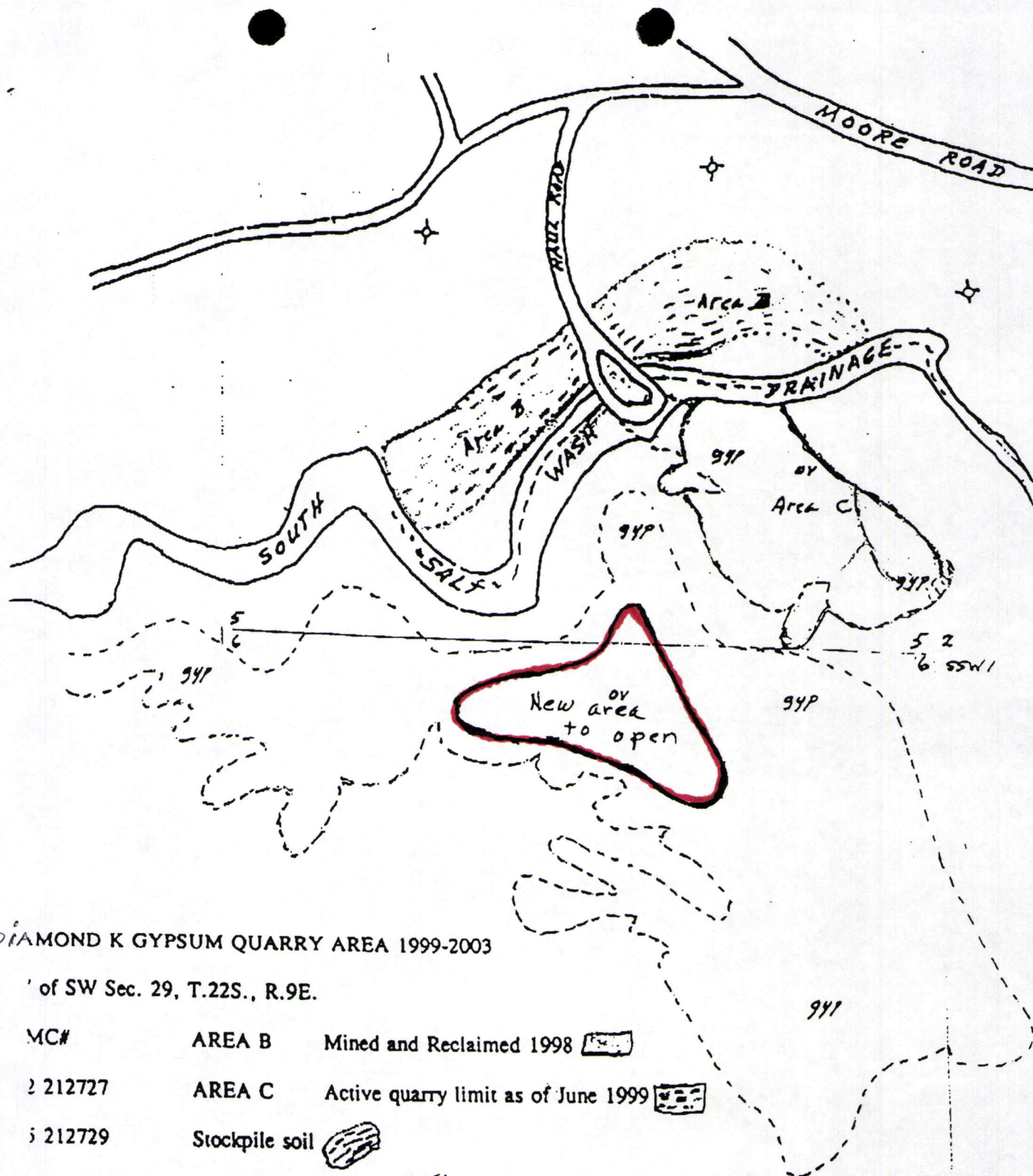
Thank you for your cooperation. Please call me at 801-538-5286, or Paul Baker at 801-538-5261 if you have any questions about this conditional approval.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is written in a cursive, flowing style with a large initial "D" and "H".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: Approved map to update the mine plan
cc: Dean Nyffeler, Price BLM
O:\M015-Emery\M0150041-DiamondK\final\app-06162003dkg.doc



DIAMOND K GYPSUM QUARRY AREA 1999-2003

' of SW Sec. 29, T.22S., R.9E.

MCH	AREA B	Mined and Reclaimed 1998	
2 212727	AREA C	Active quarry limit as of June 1999	
3 212729	Stockpile soil		
'6190	Stockpiled overburden		
LOGY	ov siltstone overburden		
	gyp gypsum aerial distribution		

APPROVED

JUN 16 2003

DIV. OIL GAS & MINING

